

1404-1428 Yonge Street – Rental Housing Demolition Application – Decision Report – Approval

Date: June 6, 2023

To: Toronto and East York Community Council

From: Director, Community Planning, Toronto and East York Community Council

Ward: 12 – Toronto-St. Paul's

Rental Housing Demolition Application Number: 22 211116 STE 12 RH

Related Application Numbers: 21 185451 STE 12 OZ and 21 211696 STE 12 SA

SUMMARY

This application proposes to demolish two 3-storey apartment buildings containing a total of 8 rental dwelling units, comprised of 4 rental units in each building at 1404 and 1408 Yonge Street. The 8 rental dwelling units are proposed to be replaced in the new 50-storey mixed-use building comprised of 542 dwelling units.

The property at 1408 Yonge Street is also the subject of an Official Plan and Zoning By-law Amendment application (1406-1428 Yonge Street; 21 185451 STE 12 OZ), which was approved by City Council at its meeting on July 19-22, 2022. Following Council's decision, the property at 1404 Yonge Street was added to the proposal to provide additional open space adjacent to the development. As 1404 Yonge Street contains 4 rental units, the addition of this building, along with the 4 units at 1408 Yonge Street, triggered the requirement for a Rental Housing Demolition application.

This report recommends approval of the Rental Housing Demolition application under Chapter 667 of the Toronto Municipal Code and the Residential Demolition Permit under Chapter 363 of the Toronto Municipal Code, subject to replacement of the existing rental housing units and provision of a Tenant Relocation and Assistance Plan.

RECOMMENDATIONS

The City Planning Division recommends that:

1. City Council approve the Rental Housing Demolition application File No. 22 211116 STE 12 RH under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the *City of Toronto Act, 2006* to permit the demolition of eight (8) existing rental dwelling units at 1404 and 1408 Yonge Street, subject to the following conditions:

a) The owner shall provide and maintain eight (8) replacement rental dwelling units on the subject site for a period of at least 20 years beginning from the date that each replacement rental unit is first occupied and during which time, no application may be submitted to the City for condominium registration, or for any other conversion to a non-rental housing purpose, or for demolition without providing for replacement. The eight (8) replacement rental dwelling units shall collectively contain a total gross floor area of at least 303.2 square metres and shall be comprised of four (4) studio units and four (4) one-bedroom units, as generally illustrated in the plans submitted to the City Planning Division dated May 8, 2023. Any revision to these plans shall be to the satisfaction of the Chief Planner and Executive Director, City Planning Division.

b) The owner shall, as part of the eight (8) replacement rental dwelling units required in Recommendation 1.a. above, provide and maintain at least four (4) studio and four (4) one-bedroom replacement rental dwelling units at affordable rents, defined as gross monthly rent no greater than one times the average City of Toronto rent by unit type, as reported annually by the Canada Mortgage and Housing Corporation, for a period of at least ten (10) years beginning from the date of first occupancy of each unit.

c) The owner shall provide an acceptable Tenant Relocation and Assistance Plan to all Eligible Tenants of the eight (8) existing rental dwelling units proposed to be demolished, addressing the right to return to occupy one of the replacement rental dwelling units at similar rents and other assistance, including rent gap payments, to mitigate hardship. The Tenant Relocation and Assistance Plan shall be developed in consultation with, and to the satisfaction of, the Chief Planner and Executive Director, City Planning Division.

d) The owner shall provide tenants of all eight (8) replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed development at no extra charge, and on the same terms and conditions as any other resident of the development, without the need to pre-book or pay a fee unless specifically required as a customary practice for private bookings.

e) The owner shall provide ensuite laundry in each replacement rental dwelling unit within the proposed development at no additional cost to tenants.

f) The owner shall provide central air conditioning in each replacement rental dwelling unit within the proposed development.

g) The owner shall provide tenants of the eight (8) replacement rental dwelling units with access to all bicycle and visitor vehicular parking at no charge and on the same terms and conditions as any other resident of the proposed development.

h) The eight (8) replacement rental dwelling units shall be made ready and available for occupancy no later than the date by which seventy percent (70%) of the new dwelling units in the proposed development, exclusive of the replacement rental dwelling units, are made available and ready for occupancy.

i.) The owner shall enter into, and register on title to the lands at 1406-1428 Yonge Street, one or more agreement(s) to secure the conditions outlined in Recommendations 1.a through 1.h above, including an agreement pursuant to Section 111 of the City of Toronto Act, 2006, all to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division.

2. City Council authorize the Chief Planner and Executive Director, City Planning Division to issue Preliminary Approval of the Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the *City of Toronto Act, 2006* for the demolition of the eight (8) existing rental dwelling units at 1404 and 1408 Yonge Street after all the following have occurred:

a) all conditions in Recommendation 1 above have been fully satisfied and secured;

b) the Official Plan Amendment and Zoning By-law Amendment(s) have come into full force and effect;

c) the conveyance of 1404 Yonge Street to the City is secured;

d) the issuance of the Notice of Approval Conditions for site plan approval by the Chief Planner and Executive Director, City Planning or their designate pursuant to Section 114 of the *City of Toronto Act, 2006*;

e) the issuance of excavation and shoring permits (conditional or full permits) for the approved development on the site; and

f) the owner has confirmed, in writing, that all existing rental dwelling units proposed to be demolished are vacant.

3. City Council authorize the Chief Building Official and Executive Director, Toronto Building Division to issue a Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code after the Chief Planner and Executive Director, City Planning has given Preliminary Approval referred to in Recommendation 2 above.

4. City Council authorize the Chief Building Official and Executive Director, Toronto Building Division to issue a Residential Demolition Permit under Section 33 of the *Planning Act* and Chapter 363 of the Toronto Municipal Code for 1404-1428 Yonge Street after the Chief Planner and Executive Director, City Planning has given Preliminary Approval referred to in Recommendation 2 above, which may be included in the Rental Housing Demolition Permit under Chapter 667 pursuant to section 6.2 of Chapter 363, on condition that:

a) the owner removes all debris and rubble from the site immediately after demolition;

b). the owner erects solid construction hoarding to the satisfaction of the Chief Building Official and Executive Director, Toronto Building Division;

c) the owner erects the proposed mixed-use building no later than three (3) years from the date on which the demolition of the existing buildings commences, subject to the timeframe being extended to the discretion of the Chief Planner and Executive Director, City Planning Division; and

d). should the owner fail to complete the proposed mixed-use building containing the eight (8) replacement rental dwelling units within the time specified in Recommendation 4.c. above, the City Clerk shall be entitled to enter on the collector's roll, as with municipal property taxes, an amount equal to the sum of twenty thousand dollars (\$20,000.00) per dwelling unit for which a demolition permit is issued, and that such amount shall, until payment, be a lien or charge upon the land for which the Residential Demolition Permit is issued.

5. City Council authorize the appropriate City officials to take such actions as are necessary to implement City Council's decision, including execution of the Section 111 agreement and other related agreements.

FINANCIAL IMPACT

The City Planning Division confirms that there are no financial implications resulting from the recommendations included in this report in the current budget year or in future years.

DECISION HISTORY

A Preliminary Report on the Official Plan and Zoning By-law amendment application for 1406-1428 Yonge Street was adopted by Toronto and East York Community Council on November 24, 2021.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.TE29.29>

A Final Report on the Official Plan and Zoning By-law amendment application for 1406-1428 Yonge Street was adopted with modifications by City Council on July 19-22, 2022 permitting the mixed-use development. The approval also included a Tenant Relocation and Assistance Plan for impacted tenants of the 4 existing rental housing units on the site.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.TE34.44>

On July 19-22, 2022, City Council also approved alterations to the heritage property at 1420 Yonge Street and demolition of the heritage property at 1406 Yonge Street.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.TE34.52>

THE APPLICATION

Following the approvals described above, 1404 Yonge Street was added to the proposal to provide open space adjacent to the development as off-site parkland. 1404 Yonge Street contains 4 rental units, which in addition to the 4 units at 1406-1428

Yonge Street, now triggers the requirement for a Rental Housing Demolition application, as the number of rental dwelling units to be demolished now totals 8 units. A Rental Housing Demolition application was submitted on September 30, 2022.

The Rental Housing Demolition application encompasses the lands municipally known as 1404-1428 Yonge Street (see Attachment 1 – Location Map).

A related report considering the demolition of heritage property at 1404 Yonge Street will be considered at the same Toronto and East York Community Council meeting.

Rental Demolition and Replacement

In accordance with policy 3.2.1.6 of the Official Plan, the applicant is proposing to replace the existing 8 rental dwelling units by their respective unit types at similar unit sizes and at similar rents to those in effect at the time of application. The replacement units would be comprised of 4 studio and 4 one-bedroom units, all at affordable rents, and located on the fifth floor of the new development.

Overall, replacement units are proposed to replace 110% of the gross floor area of the existing rental dwelling units. The average size of existing studio units is 30.3 square metres while the average size of the proposed replacement studio units is 30.8 square metres. The average size of existing one-bedroom units is 38.6 square metres while the average size of replacement one-bedroom units is 44.9 square metres. Existing and proposed replacement units do not have balconies.

Tenant Relocation and Assistance Plan

A Tenant Relocation and Assistance Plan is required for all 6 Eligible Tenants who reside in the existing rental units. The plan would assist tenants in finding and securing alternative accommodation while the proposed development and replacement rental dwelling units are being constructed. The plan would expand upon the Tenant Relocation and Assistance Plan previously secured for tenants of 1408 Yonge Street by increasing the financial compensation and securing replacement rental housing for impacted tenants of both 1404 and 1408 Yonge Street.

The Tenant Relocation and Assistance Plan would include the following:

- The right to return to a replacement rental unit of the same bedroom type and a similar unit size, and at similar rent, as the rental unit they currently occupy;
- At least six (6) months' notice before having to vacate their existing dwelling unit (inclusive of notice required under the RTA);
- Financial compensation, in addition to the requirements of the Residential Tenancies Act, in the form of "rent gap payments." The rent gap payments would be paid to each Eligible Tenant to cover the difference between the rent paid by a tenant on the date their tenancy is terminated and the most recent average rent for vacant private rental apartments by unit type in Canada Mortgage and Housing Corporation's (CMHC) Rental Market Survey (RMS) Zone 3 – Toronto North, which encompasses the development site, over the period of construction of the proposed building (estimated at three years).

- Moving allowances to cover expenses for moving, first, into alternative interim accommodation and, second, from the interim accommodation into a replacement rental unit;
- Special needs compensation, as determined by the Chief Planner and Executive Director, City Planning; and
- Upon request, availability of a rental leasing agent;

The rent gap payments would be paid by the owner to each Eligible Tenant on the date they provide vacant possession of their existing rental unit. In the event the proposed development and replacement rental units take longer than three (3) years to complete, the owner would provide each tenant an additional rent gap payment equal to the applicable additional accrued monthly rent gap until the replacement rental units were ready for occupancy.

Reason for the Application

Chapter 667 of the Toronto Municipal Code, the Residential Rental Property Demolition and Conversion Control By-law, prohibits the demolition of rental housing in any building or related group of buildings that contain six or more dwelling units without obtaining a permit from the City. Since the proposal involves the demolition of 8 rental dwelling units, a Rental Housing Demolition application was submitted to the City.

POLICY & REGULATION CONSIDERATIONS

Provincial Land-Use Policies

All decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the Provincial Policy Statement (2020), and shall conform to provincial plans, including the Growth Plan (2020) for the Greater Golden Horseshoe, the Greenbelt Plan, and others.

Official Plan

The Toronto Official Plan outlines City Council's policies and objectives for land use planning and development. Section 3.2.1 of the Official Plan contains the City's policies pertaining to the provision, maintenance, and replacement of housing.

Policy 3.2.1.6 requires new development that would result in the loss of six or more rental dwelling units to replace at least the same number, size, and type of rental units at similar rents to those in effect at the time of application. The policy also requires the applicant to provide an acceptable tenant relocation and assistance plan, addressing the right of existing tenants to return to the replacement units at similar rents and other assistance to mitigate hardship.

Rental Housing Demolition and Conversion By-law

This application involves the demolition of rental housing. Since the development site contains six or more residential units, of which at least one unit is rental housing, an

application is required under [Chapter 667](#) of the City's Municipal Code, the Rental Housing Demolition and Conversion By-law. The By-law requires an applicant obtain a permit from the City allowing the demolition of the existing rental housing units. The City may impose conditions that must be satisfied before a demolition permit is issued.

COMMUNITY CONSULTATION

Tenant Consultation

On November 30, 2022, a tenant consultation meeting was held to review the City's housing policies, the impact of the proposed demolition on existing tenants, and the proposed Tenant Relocation and Assistance Plan. The meeting was held virtually and attended by 5 tenants, representatives of the applicant and City Planning staff.

During the meeting, tenants asked questions and expressed concerns about:

- The timing of the application and overall development, including the length of time tenants would be displaced from their unit.
- The proposed replacement rental unit layouts, including their size and amount of proposed balconies;
- The process for how replacement units will be selected by eligible tenants and how rents would be calculated;
- The provision of storage lockers and vehicle and bicycle parking in the new development;
- Policies regarding noise and smoking in the proposed new development; and
- The amount of rent gap compensation and eligibility for special needs assistance and process for being deemed eligible.

COMMENTS

Provincial Policy Statement and Provincial Plans

Staff have evaluated the proposal and determined that it is consistent with the PPS and conforms with the provincial Growth Plan. The proposal to demolish 8 rental dwelling units within a 3-storey building to construct a new building comprised of 534 net new residential units and 8 replacement rental units would accommodate new housing supply through intensification and redevelopment, and contribute to a greater mix of housing options to meet the market-based housing needs of current and future residents.

Rental Demolition and Replacement

City Planning staff are of the opinion that the proposed replacement plan is appropriate and consistent with the intent of policy 3.2.1.6.

Existing tenants would reserve the right to return to a replacement rental unit at similar rent, and rents for replacement rental units without returning tenants would not exceed the affordable rent threshold, defined as gross monthly rent no greater than one times

the average City of Toronto rent by unit type, for a period of at least 10 years. Tenants who return to a replacement rental units would be subject to annual rent increases capped by the provincial rent increase Guideline, irrespective of whether such Guideline applied to the proposed development under the *Residential Tenancies Act 2006* (RTA), until their tenancies end.

City Planning staff are satisfied with the Tenant Relocation and Assistance Plan as it is consistent with the City's current practices, and will support tenants to continue to access and afford suitable housing within the neighbourhood until the new building and replacement rental units are constructed and available for occupancy. The rental replacement matters and Tenant Relocation and Assistance Plan will be secured through one or more agreements with the City and to the satisfaction of the Chief Planner and Executive Director, City Planning Division.

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SIGNATURE

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ATTACHMENT

City of Toronto Data/Drawings
Attachment 1: Location Map

